

WG III  
file

~~SECRET~~

Acting Ch/C/RR

6 January 1956

Acting Ch/D/E/RR

Report on EDAC WG III Meeting, 4 Jan 56, re Economic Penetration Paper Prepared by State; D/E Comments on AD/RR Memo to DD/I, 4 Jan 56, same subject

1. At the EDAC WG III meeting, held at New State on 4 Jan 56, the Goodkind/Tuckerman draft of the Economic Penetration paper was discussed by the agency representatives. I stated that the CIA position was to accept the paper since it appeared beyond question that WG III was not able to perform the breadth of duties defined by EDAC for it. I did not participate in the subsequent discussion, mainly between Mr. Hale of ICA and Mr. Tuckerman (Chairman) of State.
2. As a result of the vigorous view of ICA, which tended to be supported in various aspects by some other agencies, the meeting concluded with the decision that the working group would consider at its next meeting, 11 Jan 56, a redraft to be prepared by Mr. Hale. We understand informally that this redraft will set forth the general view that the competence and experience for dealing with penetration matters lies in the individuals in the EDAC structure and that "economic defense" is not necessarily too narrow a subject to encompass aspects of "economic penetration".
3. I will deliver Mr. Hale's paper to Ch/C as soon as I receive it. If it is not distributed prior to the meeting, and if (unlikely) it is not tabled for a week at the request of another agency, I will request that it be tabled until it can be reviewed by my Agency.
4. I wish to call your attention to two matters related to the memorandum from AD/RR to DD/I dated 4 January which discusses the Goodkind draft of an Economic Penetration paper. This memorandum was received by D/E in the regular mail at noon today. My comments are as follows:
  - (a) The statement in paragraph one that a memorandum was "addressed to the Chairman EDAC" is misleading in suggesting that such a memorandum has gone forward. The true state of affairs, as Ch/C is aware from our discussion in which I received instructions as to the Agency position in the 4 Jan WG meeting, is that the memorandum has been submitted for WG III consideration as a draft and is addressed to the Chairman EDAC.
  - (b) Paragraph 3 of the AD/RR memorandum has as its object to state the recommendation set forth in the Goodkind paper. I consider it rather unfortunate that the words "or strategic trade control" (see top p. 2) are inserted in the AD/RR memo since these words do not appear in the Goodkind paper. These words suggest to me that strategic trade controls and economic defense are synonymous. I do not agree that this is so.

25X1A9a



~~SECRET~~